

Service Date: July 6, 1990

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)	UTILITY DIVISION
of US West Communications for)	
Forbearance of Rate Regulation)	DOCKET NO. 90.6.35
Re: Billings Clinic.)	
_____)	ORDER NO. 5480

FINAL ORDER

FINDINGS OF FACT

On June 6, 1990 US West Communications (USWC) filed an application with the Montana Public Service Commission (Commission or PSC) requesting forbearance of rate regulation for IntraLATA Wide Area Telecommunications Service (800 Service) to the Billings Clinic at its main office in Billings and its branch offices in Billings, Columbus, and Red Lodge, pursuant to Section 69-3-808, MCA.

On June 8, 1990, at a duly noticed work session, the Commission GRANTED USWC's forbearance application based solely upon the contents of USWC's application. A Notice of Commission Action was issued on June 12, 1990.

Attached to and referenced in this application was a notarized letter from the customer to USWC requesting a proposal for its long distance and 800 WATS Service. The letter noted that a bid was under consideration from AT&T for 800 Readyline service and that bids were due by June 15, 1990.

The Commission finds that a competitive bid for 800 READYLINE Service received from AT&T was under consideration by the Billings Clinic at the time USWC filed the instant application. The Commission grants USWC's application on the condition that AT&T's 800 READYLINE Service constitutes viable competition for USWC's services described in the application.

Although the forbearance statute (Section 69-3-808, MCA) may not permit analysis of the economic merits of USWC's discounted sales prices in considering the forbearance application itself, the Commission intends to analyze the merits of such discount prices in later dockets. There is absolutely no evidence in the instant or past forbearance applications that prices resulting from a negotiated contract or contracts for the services listed herein or in past applications will cover relevant economic costs. Further, no economic costs studies have been accepted by this Commission for USWC's toll services (see Order Nos. 5354d and 5354e, Docket No. 88.1.2). Therefore, USWC is hereby put on notice that to the extent any such sales prices resulting from a negotiated contract for the services listed herein fall below the Commission's estimate of relevant marginal costs, the resulting shortfall shall be borne by USWC shareholders.

CONCLUSIONS OF LAW

1. USWC provides regulated telecommunications services within the state of Montana and is a public utility under the regulatory jurisdiction of the Montana Public Service Commission, Sections 69-3-101 and 69-3-803(3), MCA.

2. The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

3. USWC's application contained the information required by Section 69-3-808, MCA and ARM 38.5.2715.

4. Similar telecommunications service is being offered to the customer by a party other than the Applicant. Section 69-3-808(3), MCA.

ORDER

1. USWC is GRANTED FORBEARANCE of rate regulation with respect to the provision of IntraLATA Wide Area Telecommunications Service (800 Service) to the Billings Clinic.

2. This docket is closed.

Done and Dated this 25th day of June, 1990 by a 4 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.